



Overview of Reforms in Defense Sector of Ukraine

March-April
2016



Events of the last two years have forced Ukraine to radically change its view on the development of the armed forces and to initiate fundamental reforms of the Defense Sector.

The main goal of these driving innovations is to renew the Ukrainian Army absolutely, bring it into line with leading NATO standards, and achieve a complete technical and operational compatibility with the Alliance forces by 2020.

In the 2014–2016 range, a solid foundation for future transformations was laid. For the first time since gaining independence, Ukraine has developed key strategic documents of defense planning that clearly define a direction and algorithm of necessary changes. On the basis of these provisions, a draft of Ukraine's Strategic Defense Bulletin has been de-

veloped, which is a road map of the whole defense reform.

Based on the new policy priorities of the military, the Committee of Reforms, which is responsible for six areas of reforms of the Armed Forces of Ukraine, was created at the Ministry of Defense in early March. The committee's activities provide for com-

plete transparency and continuous civilian control on the part of foreign advisers and experts, the NATO office, and NGOs. Reform Project Office — an advisory body of the Ministry of Defense that coordinates strategic and operational components of the reforms — ensures professional expertise in the spheres of procurements, logistics, medicine, and management of the committee's resources.

Today Ukraine clearly acknowledges the existing shortcomings in the Defense Sector, and on the basis of the best international practices and support of Western partners, it directs every possible effort toward creating a new army, which will become an equal partner of the Allies' forces, as well as a guarantor of safety and restoration of the territorial integrity of Ukraine.

NATO IS GOING TO INCLUDE UKRAINIAN TROOPS IN THE EASTERN EUROPE DEFENSE SYSTEM



NATO decided to increase its presence in Central and Eastern Europe to deter and, if necessary, repel Russian aggression. Alliance Command expects that plans to send more troops and weapons to the eastern border will be confirmed at the summit in Warsaw, which will be held in July. “Ukraine also has to take part in this expansion of NATO presence in the region. Highest level officials in charge of the security sector in Ukraine have repeatedly called on the international community to be more resolute in the response to Russian provocations and aggression. NATO Summit in Poland will give Kyiv a chance to be consistent in actions according to its own rhetoric,” write Ian Brzezinski, Atlantic Council expert, and Markiyano Bilynskyi, director of the Pylyp Orlyk Institute for Democracy.

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Reform of the Armed Forces

NATO AND UKRAINE AGREED ON A DEFENSE MINISTRY REFORM PLAN

Recently, the coordination of a reform plan for the Ministry of Defense of Ukraine took place within the framework of the NATO Planning and Review Process. The parties have discussed a number of joint activities in the most important areas of the Defense and Security Sector reforming, and the implementation of NATO standards in all areas of the Defense Administration of Ukraine. Based on the results of the meeting, drafts of previously mentioned documents have been approved and sent to the NATO North Atlantic Council. The NATO-Ukraine Meeting was held at the Alliance headquarters. The Ukrainian delegation was headed by Colonel Igor Protsyk, director of International Defense Cooperation Department of the Ministry of Defense.

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RECERTIFICATION AND STAFF REDUCTION BY 25% IS TAKING PLACE AT THE MINISTRY OF DEFENSE OF UKRAINE

The Ministry of Defense decided to optimize its staff structure and to review the functional responsibilities of the Ministry officers. The decision to optimize the number of personnel will be made only after the recertification of every officer. During the recertification, it will be clarified whether military servicemen meet the demands of the position occupied; if servicemen confirm their professional abilities, they will be offered corresponding offices or positions they occupied before, or positions

in the territorial administrative bodies. “After signing the Directive and the recertification of personnel, I plan to redistribute the functional responsibilities of all officers and to delegate some of my authority to deputy ministers and heads of departments. Each manager must make decisions according to their authority, and be fully responsible for the decisions made,” stated Stepan Poltorak, Minister of Defense.

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EACH OFFICIAL MUST MAKE DECISIONS ACCORDING TO THEIR AUTHORITY, AND BE FULLY RESPONSIBLE FOR THE DECISIONS MADE

Stepan Poltorak, Minister of Defense





ANOTHER CYCLE OF MULTINATIONAL TRAINING OF THE LAND FORCES UNITS STARTED IN LVIV

On March 1, an opening ceremony of the multinational training of another unit of the Armed Forces of Ukraine was held in the International Peacekeeping and Security Center of the National Army Academy, named after Hetman Petro Sahaidachnyi, within the framework of the Joint Multinational Training Group Ukraine.



This time, the national army was represented by the second parachute commando battalion of the 25th separate Dnipropetrovsk Airborne Brigade. The official opening ceremony was held in the military town of Tsentralne at the International

Peacekeeping and Security Center. Representatives of the participating countries started the joint training. This training cycle is designed to train specialists from the Land Forces units of the Armed Forces of Ukraine according to the standards of the

leading world armies. The following two divisions have already participated in the event on the Ukrainian part: company of the 30th separate mechanized brigade and a battalion of the 24th separate mechanized brigade.

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THE REPRESENTATIVE OF THE NATIONAL SECURITY AND DEFENSE COUNCIL PRESENTED TO NATO A DRAFT OF THE CONCEPT FOR THE DEVELOPMENT OF THE SECURITY AND DEFENSE SECTOR

For the first time in the history of the state, it was possible to develop a strategic document that examines the security sector for integrity and defines the principles, objectives, and mechanisms of the interactions and vectors of development. "It is very important that the real areas

of development are described in accordance with NATO standards, including the democratic civilian control that should take an important place," said Oleksandr Lytvynenko, Deputy Secretary of the NSDC.

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GREAT BRITAIN AND UKRAINE WILL SIGN A NEW DEFENSE AGREEMENT

According to a 15-year agreement, British troops will take part in joint exercises with the Armed Forces of Ukraine and will train the Ukrainian military. According to Michael Fallon, head of the British Ministry of Defence, renewal of the agreement is a signal from his country that it stands firmly on the side of Ukraine, which defends its sovereignty. Previous agreement on military cooperation between the two countries ended in 2006.

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Armed Forces Supply

THE MINISTRY OF DEFENSE OF UKRAINE SAVED MORE THAN 780 MILLION UAH THANKS TO THE PROZORRO SYSTEM

In the last nine months, all procurements for the Armed Forces of Ukraine have been made through an electronic auction system. "Thanks to the ProZorro electronic procurement system, the Ministry of Defense of Ukraine managed to save more than 780 million UAH in 1,200 tenders for the planned amount of about 8 billion UAH," said Maksym Nefiodov, Deputy Minister of Economic Development and Trade.

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THE JOB TO FIGHT: THE ARMY IS BECOMING ONE OF THE MOST ATTRACTIVE UKRAINIAN EMPLOYERS

New social standards are transforming the army in the eyes of Ukrainians into an attractive employer.

The flow of those wishing to serve under contract in the Armed Forces of Ukraine has increased significantly. In the first quarter of this year alone, more than 18 thousand people became professional servicemen. This is more than in the entire year of 2015, when this figure was 16 thousand. In the pre-war times, the Armed Forces of Ukraine were able to attract not more than 10-12

thousand people a year to serve under contract. "Now, because of social benefits and patriotic spirit people regard service in the Army not as a duty, but as a profession," said colonel Andriy Polonskyi, head of the Contract Military Recruitment division of the Main Personnel office in the General Staff.

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THE PLAN FOR A REFORM IN THE FIELD OF MILITARY EDUCATION COMES INTO EFFECT

The Subcommittee of Professionalization of the Armed Forces of Ukraine and Creation of a Military Reserve developed the Action Plan for Implementation of Defense Reform in the Field of Military Education and Personnel Training in the Ministry of Defense and the Armed Forces of Ukraine for 2016 – 2020. The new educational program will be based on methods and training programs for military personnel hired by NATO.

In general, the plan provides for the update of the regulatory and legal framework in the field of military education, improvement of practical components of training in a large part of military specialties, and creation of conditions for switching to military personnel training according to NATO standards.

UKRAINE'S FIRST SCHOOL OF SERGEANTS COMPLYING WITH NATO STANDARDS OPENED IN KYIV

Fifty servicemen from the regiment Azov will study at the school and will be the first to receive new learning experiences according to the NATO armies' standards with intensive physical and psychological training.

Soldiers will be studying according to a fundamentally new program that focuses on modern military operations and is aimed at making the Ukrainian army more powerful. Training, which includes both theoretical and practical parts (training at the

military training area), will last three months and will end with exams. After graduating, one group of servicemen will go to the ATO zone, and the rest will stay in Kyiv as instructors.

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Reform of the Armed Forces



SINCE THE BEGINNING OF 2016, THE INTERNAL AUDITORS OF THE MINISTRY OF DEFENSE HAVE PREVENTED THE LOSSES AND DAMAGES IN AN AMOUNT EXCEEDING 22.5 MILLION UAH.

Since the beginning of the year, as a result of operational audits and preliminary monitoring of risk transactions, internal auditors of the Defense Ministry have prevented losses and damages of an amount exceeding 22.5 million UAH.

Such transactions may be related to the inflated cost of the repair of military equipment and weapons, procurement of goods, works and services, construction of housing, and major repairs. Furthermore, 86 control measures were carried out, in the course of which the Ministry of Defense reimbursed for losses and damages amounting to ap-

proximately 14 million UAH. A decision on compensation of another 300 thousand UAH was made. In addition, risks in financial and asset management in the amount of 185.5 million UAH were found, and losses of resources for 10.5 million UAH were prevented.

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IN 2015, SERVICEMEN RECEIVED MORE THAN 1,300 FLATS

In 2015, Verkhovna Rada allocated a total of 869 million UAH for the Ministry of Defense to provide housing for soldiers, which has already made it possible to provide flats for 889 families of servicemen.

The aforementioned resource allowed servicemen to receive 1,331 flats, of which 527 were purchased in the secondary market and on the terms of legal participation and 497 were partially funded; monetary compensation for the granted housing was paid to 231 families and 38 flats were received as charitable assistance. Also in 2015, 186 ATO participants were provided with housing; 161 families are registered as families of the ATO soldiers who were killed. In 2015, flats from this category were given to 94 families. In 2016, the parliament allocated 687.3 million UAH, at the expense of which it is planned to purchase 1,329 flats and pay 22 million UAH to families who expressed wishes to receive monetary compensation for the granted housing. The resource of 268.6 million UAH per compensation is provided with regard to housing rental.

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CYBER SECURITY STRATEGY OF UKRAINE WAS ADOPTED

President Petro Poroshenko enacted the decision of the National Security and Defense Council of Ukraine dated January 27 on Cyber Security Strategy of Ukraine. This is stated in the press service announcement on the president’s website. The objective of Cyber Security Strategy is to create conditions for secure cyber space operation, and its use in the interests of an individual, the society, and the state. As noted in the document, cases of illegal collection, storage, use, destruction, and dissemination of personal data, as well as illegal financial transactions, theft, and fraud on the Internet are now actively spreading.

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THE OBJECTIVE OF CYBER SECURITY STRATEGY IS TO CREATE CONDITIONS FOR SECURE CYBER SPACE OPERATION



TO DATE, 1,537 ATO SOLDIERS RECEIVED ALMOST 5 MILLION UAH FOR PERFORMING COMBAT MISSIONS

To date, more than 1,500 soldiers have received 4 million 945 thousand UAH for performing combat missions with their units; and upwards of 26.5 thousand soldiers received more than 121 million UAH for direct participation in hostilities. Fifty-four servicemen received 925 thousand UAH for destroying the enemy’s military equipment. Another nearly 4 million UAH will be soon paid to 805 ser-

vicemen for participation in hostilities. One-time financial assistance amounting to 1 billion 197 million UAH was paid to families of those servicemen of the Armed Forces of Ukraine who took part in the ATO and were killed in action. ATO participants received assistance in the amount of 409 million UAH in connection with injuries and disability.

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A MECHANISM FOR SYSTEMIC REFORMING OF THE ARMED FORCES OF UKRAINE HAS BEEN CREATED

The first meeting of the Reforms Committee was held at the Ministry of Defense on March 4. To some extent, it was a historic event.

The committee consists of the heads of the Ministry of Defense and the General Staff, expert employees, proactive leaders in different areas of the Armed Forces reforms, NATO and NATO-countries' experts, civilian advisers, and volunteers. The Reforms Committee working groups are tasked primarily with regulating and harmonizing the existing progress, avoiding

conflicts and duplication of projects, and initiating development of new directions. As a result, each group will develop and approve the main roadmap of the reform of its direction. Consolidated roadmaps in all directions will form the basis of a single Armed Forces of Ukraine Development Program until 2020.

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Defense Capacity

THE MINISTRY OF DEFENSE ENTERED INTO 91 AGREEMENTS AND SUPPLEMENTARY AGREEMENTS WITH STATE ENTERPRISES ON THE SUPPLY OF MODERN WEAPONS

In the current year, state enterprises have already received orders totaling more than 3 billion UAH from the Ministry of Defense of Ukraine. Within the new agreements, 300 units of weapons and military equipment, and 58 thousand units of ammunition have already been purchased and delivered for the Armed Forces of Ukraine. In addition, flight tests of the national missile system "Vilha" were successfully carried out. The maintenance support system that was launched with the beginning of the ATO has already allowed them to repair already about 42.5 thousand units of weapons and military equipment; at the same time, almost 40 thousand units were repaired with the resources of the military units of the Armed Forces of Ukraine. Forty-six machinery units were modernized at state enterprises.

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IN A TWO-YEAR TERM, THE UKRAINIAN DEFENSE MINISTRY WILL BECOME A CIVILIAN STRUCTURE

In the framework of the Defense Ministry reform, after 2018, the office of the Minister of Defense of Ukraine will be a civilian one. The position of State Secretary will also be introduced. These steps are part of a major reform of the Ministry of Defense of Ukraine and General Staff of the Armed Forces of Ukraine, which involves bringing structure to the NATO standards and adopting modern principles of defense management.

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OLEKSANDR VINNIKOV, DIRECTOR OF THE NATO LIAISON OFFICE IN UKRAINE: "OUR EFFORTS ARE FOCUSED ON SYSTEMIC APPROACHES"

A significant reinforcement of the office started after the NATO summit in Wales in September 2014. The size of the office has almost tripled over the past 18 months.



TODAY, THE NATO LIAISON OFFICE IN UKRAINE SINGLES OUT THREE PRIORITIES FOR ITS WORK:

1 to act as a department for communication with classical diplomatic objectives: facilitating meetings, conferences, and visits, as well as analyzing events and reporting to headquarters;

2 advisory support of reforms in the Security and Defense Sector of Ukraine; it also includes support of capacity building with the assistance of several of our programs;

3 to manage projects of technical assistance.

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Ministry of Defense of Ukraine Reforms Project Office



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The aim of activities is to implement systemic reforms of the Armed Forces of Ukraine.
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The Reform Project Office of the Ministry of Defense of Ukraine is a **permanent advisory body of the Reform Council of the Ministry of Defense of Ukraine**, and it was created by a separate Order of the Minister of Defense of Ukraine No. 420 as of August 18, 2015.
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As in the beginning of 2016, the Reform Project Office of the Ministry of Defense **implements reforms regarding economic activities, logistic and medical support of the Armed Forces**, and approved by the Reform Council of the Ministry of Defense of Ukraine.
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Project teams are formed **by engaging relevant experts and advisers**. Every project team is coordinated by a leading expert, who is a project manager.
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If necessary, servicemen and employees of structural units of the Ministry of Defense of Ukraine, the General Staff of the Armed Forces of Ukraine, and other military command and control bodies (with the consent of their heads), as well as experts and advisers, including those from public organizations (with their consent), **may be engaged to work in project management groups**.



REFORM OF THE LOGISTIC SUPPORT OF THE ARMED FORCES OF UKRAINE:



Automation of the record-keeping of needs and inventory in the field of material support of the Armed Forces of Ukraine



Reform of the food supply and nutrition system of the Armed Forces of Ukraine



Reform of the fuel supply system of the Armed Forces of Ukraine

MEDICAL REFORM OF THE ARMED FORCES OF UKRAINE AND THE MINISTRY OF DEFENSE OF UKRAINE:



Optimization of the system for medical and evacuation support of the Armed Forces of Ukraine



Implementation of an automatic record-keeping system for medical supplies



Implementation of medical information system of the Armed Forces of Ukraine

SEPARATE PROJECTS:



Reform of the procurement system of the Ministry of Defense of Ukraine



Development of the logistics doctrine of the Armed Forces of Ukraine

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